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Introduction

1. In October 1951 the administration of Czechoslovak industries was reorganized along the Soviet pattern. The organization of the Ministry of Chemical Industry is on the same general pattern as that of the other Czechoslovak ministries. The Ministry has three Offices of Vice-Minister, a Secretariat, a Planning Division, a Technical Division, and a Cadre Division. There are four other independent offices of lesser importance, a Wages and Labor Branch, an Inspection Branch, and a Security Branch. Each Vice-Ministry is subdivided into main administrations, branches, and sections. The First and Third Offices of Vice-Minister have greater responsibilities than the Second. The First, in addition to the Main Administrations under it, is responsible for three technical branches which work for the whole Ministry. The Third Vice-Ministry, in addition to the Eighth Main Administration under it, has six administrative units which also work for the whole Ministry. The Second Office of Vice-Minister has four main administrations under it. (See Encl (A) for an organization chart of the Ministry of Chemical Industry.)
2. The various plants and factories of the Ministry of Chemical Industry are independent national enterprises, but are each subordinate to a main administration for purposes of planning and plan fulfillment. The main administrations, with the plants and factories subordinate to them, are the operation and production units of the Ministry (this excludes the Eighth Main Administration, which deals only with the problem of distribution of goods produced by the plants and factories of the industry and therefore has no production units under it). The other offices in the Ministry are concerned with planning and administrative functions on the ministry level. The various offices of the Ministry deal with the plants and factories through the appropriate main administration on all matters. Only the heads of the main administrations give orders to plants and factories. The Eighth Main Administration, however, does deal directly with plants and factories on matters of distribution and the Cadre Division deals directly with them on matters of personnel training.

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The Minister and the Collegium

3. The Minister of Chemical Industry, Ing Otakar Simunek, is directly responsible to the Council of Ministers, of which he is a member, for the operation of the Ministry. He is chairman of the Collegium of the Ministry of Chemical Industry, which includes, besides himself, the three vice-ministers and the heads of the Planning Division, the Technical Division, and the Cadre Division. The Collegium is the top governing body in the Ministry and as such considers and passes on all important problems arising in the Ministry. The Collegium meets every Tuesday and considers an agenda which has been prepared in advance. A division or main administration which has a subject to be considered by the Collegium must present it to the Secretariat on the Thursday prior to a meeting of the Collegium. Heads of main administrations send questions or problems to the Collegium only with the approval or knowledge of their respective vice-ministers. The only occasion known the Collegium to hold a special session was for the approval of the yearly plan.

Office of the Secretariat

4. The 15 people in this office, who are under the supervision of Kaltenbach (fnu), assist the Minister. They study all questions which arise and prepare detailed briefs on them. They also help the Minister to write his speeches. The chief political advisor is Dr (fnu) Kmoch, one of whose assistants is Dr (fnu) Tronicek. The principal economic adviser is Kohout (fnu), who has a chemist assisting him, Ing (fnu) Macku. Agendas for the Collegium are prepared by the Secretariat, which keeps the minutes of Collegium meetings.

Planning Division

5. Responsibility for drawing up and directing the plan for the Ministry rests with the Planning Division, which is really the nerve center of the Ministry. In drawing up the plan, the Planning Division receives for consideration production plans from the first seven main administrations, a distribution plan from the Eighth Main Administration, supply estimates from the Supply Division, a financial plan from the Finance Division, and a plan for plant construction from the Division for Plant Construction. These various plans and estimates are all drawn up in close collaboration with members of the Planning Division before they are presented to the Planning Division in their finished form. Upon completion of the plan for the Ministry, the Planning Division submits it to the Collegium for approval.
6. The Planning Division has from 40 to 45 people and is headed by Otakar Razl. It is divided into the following branches:
- (a) Branch for the Yearly Plan and for the Control of the Plan. This branch is directly in charge of coordinating and preparing the yearly plan and supervising its fulfillment.
 - (b) Branch for Long Range Planning. This branch, headed by Ing (fnu) Patek and an assistant, Ing (fnu) Cech, works very closely with the Technical Division and the Department for Plant Construction.
 - (c) Price-fixing branch. Prices are set here for the goods produced by the plants and factories of the Ministry. This does not, however, include determining the rate of increase in working capital (akumulace), which is the domain of the Financial Department.
 - (d) Branch for Methods of Planning. Headed by Ing (fnu) Slunecko, this branch instructs the main administrations, and through them the various plants and factories, in the proper methods and means to be employed in planning.

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Technical Division

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7. Headed by Dr Ing Eduard Kucera, the Technical Division supervises, coordinates, and advises on the technical aspects of production in the Ministry. It also suggests fields of research to the various plants and factories through their respective main administrations. The Technical Division advises about this research, but the factory and plant directors are charged with the control and responsibility. The Technical Division ensures that the latest methods of production are introduced and properly used. According to a direct order from the Minister, it has the responsibility of standardizing all production processes in the plants and factories by the end of 1952.
8. The Technical Division is divided into groups which, for the most part, correspond with the principal kinds of production (eg, the group on plastics is responsible for technical matters in the plastics plants). These groups are usually composed of three to five people. [redacted]
- (a) Section for Coal Hydrogenation, headed by Ing Stefan Kratky;
- (b) Section for Dyestuffs, headed by Dr Ing (fnu) Cech;
- 25X1 (c) [redacted] Section for Industrial Hygiene, under Dr (fnu) Pelnar. It is charged with the responsibility of seeing that proper hygiene and sanitation are maintained throughout the Ministry.
- 25X1 [redacted] two experts in the Technical Division [redacted] 25X1
- [redacted] These men are Ing (fnu) Kebl, an expert on rayons and artificial silk, and Ing (fnu) Ludvik, a plastics expert.

Cadre Division

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9. The main duty of this division consists of establishing the political reliability of employees throughout the Ministry. Each main administration has its own Cadre Section, which is responsible for the political reliability of the people in its main administration and, through the Cadre Sections of the plants and factories, of the workers employed in the plants and factories. The Cadre Division of the Ministry directs and coordinates the work of these Cadre Sections in the main administrations. The Cadre Division is directly responsible for the political reliability of the personnel in those groups which are directly subordinate to the Minister, ie, the staffs of the three vice-ministers, the Secretariat, the Planning Division, the Technical Division, the Cadre Division, the Wages and Labor Branch, the Inspection Branch, and the Security Branch. The Cadre Division also directs and operates political education courses for employees of the Ministry and the plants and factories. In addition to this, the Cadre Division sets up and operates various technical, clerical, and administrative schools for personnel in the Ministry and in the plants and factories. The operation of these various schools is handled directly by the Cadre Division and not delegated to any Cadre Sections. Another important function carried out by the Cadre Division is approving all requests for passports by personnel of the Ministry and the plants and factories for travel abroad. The Cadre Division is headed by Mikova (fnu), who has a temporary appointment, but [redacted] she will become the permanent chief. Her advisor and secretary is Marek (fnu). The Division has from 30-35 employees and is subdivided into the following sections:
- (a) Political Education Section
- (b) Workers' Schools Section

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- (c) Passport Section
- (d) Factory Workers' Section
- (e) Administrative Employees Section, headed by Tykvart (fnu).

Wage and Labor Department

10. This department, in which there are 15-20 people, is headed by Smidek (fnu). It coordinates the work of wage and labor sections in the main administrations and other offices of the Ministry. Its functions are best explained by a description of its six sections:

- (a) Section for Work Categories (Katalog Prace). This section is under the direction of Hovorka (fnu).

- (1) This section classifies the different types of work of the Ministry employees and the workers in the plants and factories. This classification is done in close collaboration with the wage and labor sections of the other parts of the Ministry, and through the main administrations, with the wage and labor sections of the plants and factories. Salaried employees are divided into 20 categories, the highest being the 20th category and the lowest being the first category. For example,

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[redacted] A stenographer might be in the sixth category with a salary spread of three to four thousand crowns per month. The salary spread enables one to advance within the category; a change to a different category can only be accomplished by filling a job of that category.

- (2) This section does not, however, establish categories and salaries for the following, whose salaries are set by law: the Minister, the vice-ministers, the heads of main administrations, the directors of plants and factories, and [redacted] the chiefs of the Planning Division, the Technical Division, the Cadre Division, the Wage and Labor Branch, the Inspection Branch, and the Security Branch. The Ministry employees whose salaries are set by law are called statutory employees; those Ministry employees whose work categories and salaries are set by this section are called non-statutory employees.

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- (3) [redacted] there are nine categories of jobs for workers in the plants and factories. [redacted]

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- (4) In establishing these categories of work and pay, this section attempts to standardize the various types of work and pay throughout the Ministry.

- (b) Section for Salaried Employees. Under the supervision of Dr (fnu) Curik, this section does the actual classifying of salaried employees according to the categories established by the Section for Work Categories.

- (c) Section for Workers. This section coordinates and supervises the various wages and labor sections in the factories and plants through their respective main administrations. It checks to ascertain that the classification of work categories as established by the Section for Work Categories is properly followed. It also sets up methods and practices for the wage and labor sections in the plants and factories to follow in establishing norms of production for the workers.

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- (d) **Section for Manpower Planning.** The responsibility for the supervision and coordination of manpower planning done by the wage and labor sections of the plants and factories rests with this section, which is in close contact with the Ministry of Manpower. This section is also responsible for seeing that the manpower plan is being followed throughout the Ministry and the plants and factories. In those instances involving a change in the manpower plan within a factory, that factory's Wage and Labor Section makes the change with the approval of the Wage and Labor Section of its Main Administration. If a change in the manpower plan involves two ~~factories~~ in the same main administration, the matter is handled by the Wage and Labor Section of that Main Administration. If the change in the manpower plan involves two main administrations, this Section for Manpower Planning of the Wage and Labor Branch handles it. Should a change in the manpower plan involve the Ministry of Chemical Industry and another ministry, this section refers the matter to the Ministry of Manpower for consideration.
- (e) **Labor Law Section.** This section interprets labor laws and advises the Minister and other parts of the Ministry on labor laws.
- (f) **Social Welfare Section.** Under the supervision of Mrs (fnu) Svabova, the wife of the Second Vice-Minister, this section supervises the operation of canteens and clubs and the distribution of work clothes.

Inspection Department

11. There are about five people, all accountants, in this department, including the chief, Jaeger (fnu) and two others, Sedivy (fnu) and Werich (fnu). This branch checks on the over-all efficiency of the various plants and factories under the main administrations. It investigates bottlenecks, not from a technical point of view, but from the point of view of poor management, inefficiency, and sabotage. This branch regularly prepares surveys of factories and plants for the Minister, reporting on their efficiency and operation procedures. It is in very close contact with the Ministry of State Control. these inspection branches, which exist in all ministries, will soon be removed from the various ministries and placed under the direct supervision of the Ministry of State Control.

Security Department

12. Headed by Sercl (fnu) and having from five to 10 people, this department is charged with the over-all physical security of the Ministry and the plants and factories, ie to guard against sabotage, safeguard classified documents, issue passes to employees, and be in charge of fire control.

Office of the First Vice-Minister

13. The First Vice-Minister, Ing (fnu) Neuman, is responsible to the Minister for the various offices and plants under his jurisdiction. He is the link between the Minister and the production units which operate under the three main administrations which he supervises. The Office of the First Vice-Minister is subdivided as follows:

- (a) Technical Divisions (serving the Ministry as a whole)
- (1) Division for Plant Construction. This division, which has a staff of 25-30 people headed by Ing Karel Jezek, is responsible for planning for new construction and expansion of existing facilities in the plants and factories. This includes both the yearly plan and long range planning. Each year this division is told by the Planning Division the amount of money which has been allocated to the Ministry for construction purposes. From the main administrations it

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receives their respective plans for new construction and/or expansion. The Division for Plant Construction then, in consultation with the heads of all main administrations and the Planning Division, determines the amount of money to be allocated to the various main administrations for plant construction. [redacted] this division is subdivided into the following sections:

a. Construction Section. [redacted] this section is under the supervision of Ing (fnu) Valenta. This section supervises and coordinates over-all planning for the construction and expansion of buildings in the plants and factories.

b. Section for New Machinery and Equipment. Under the supervision of Ing (fnu) Julis, this section coordinates the planning for new machinery.

(2) Division for Maintenance and Maintenance Planning. The chief of this division, which has about five people, is Ing (fnu) Janda; he is also the chief of the Branch for Power and Power Planning. Assisting him in the Division for Maintenance and Maintenance Planning is Ing (fnu) Zikmund. This section supervises the maintenance and the planning for maintenance of machinery and equipment in all the plants and factories of the Ministry.

(3) Division for Power and Power Planning. This division, which has about five people, supervises and coordinates the planning by plants and factories for all types of power. It also supervises the consumption of power and the maintenance of power producing units. The foremost Czech expert in the field of electric power, Ing (fnu) Pelant, works in this division.

(b) Main Administrations. The heads of the First, Second, and Third Main Administrations are directly responsible to the First Vice-Minister for the over-all functioning of the plants and factories under their jurisdiction. These main administrations are the direct supervisory offices of the plants and factories under them. Each of the first seven main administrations supervises a group of plants which are engaged in similar production, such as industrial explosives, petroleum products, or rubber. A description of these three Main Administrations and the plants subordinate to them will be included in a later report.7

Office of the Second Vice-Minister

14. The Second Vice-Minister, Dr Ing (fnu) Svab, is the link between the Minister and the production units subordinate to the Fourth, Fifth, Sixth, and Seventh Main Administrations, which are under his supervision. He is responsible to the Minister for these four main administrations. The plants subordinate to these four main administrations will be listed in a later report.7

Office of the Third Vice-Minister

15. The Third Vice-Minister, Jan Vorek, is responsible to the Minister for the Eighth Main Administration and the other units under his supervision. The Office of the Third Vice-Minister is subdivided as follows:

(a) The chief function of the Eighth Main Administration, or the Main Administration for Distribution, is to see that the goods produced by the chemical industry are distributed in the Czech economy according to plan. It draws up a distribution plan on the basis of the estimated production of the chemical industry and the needs of the economy. The Eighth Main Administration is headed by

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Stanislav Vlna and is divided in nine parts, the two largest of which are headed by deputies to the chief of the Eighth Main Administration. They are the Office of the First Deputy and the Office of the Second Deputy; these two offices perform the most essential work of the Administration, ie, planning the distribution, carrying out the distribution, and seeing that the distribution plan is being followed. The various units in the Eighth Main Administration and their functions will be covered in a future report.

(b) Administrative Branches

- (1) Financial Department. This department, which has four or five people, is the second major sub-division in the Office of the Third Vice-Minister.

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[redacted] deputy, Ing (fnu) Slimacek, is the real expert. This department supervises and coordinates the financial plan for the Ministry of Chemical Industry. Included in the financial plan is the amount of working capital (akumulace) which the Ministry of Chemical Industry is expected to earn. The amount of such earnings expected of the Ministry of Chemical Industry is set by the Ministry of Finance, and the Financial Division incorporates it in preparing the financial plan. The Financial Division keeps a close check on the extent to which the financial plan is being fulfilled.

- (2) Supply Department. This department is comprised of 20-25 people;

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[redacted] the deputy's name is Cilek (fnu). The Supply Department is responsible for estimating the needs of the plants and factories under the Ministry of Chemical Industry for materials and supplies. In preparing its production plan for the year, each plant and factory indicates the amount of materials it needs in order to fulfill its plan. The supply section in each main administration receives these estimates for materials from the various plants and factories subordinate to its main administration and compiles an estimate of materials needed for the entire main administration's plants and factories. This over-all estimate is passed on to the Supply Department of the Ministry, where an estimate for the needs for materials is prepared for all the plants and factories in the Ministry. After the Supply Department has completed this estimate, it approaches the distribution divisions (or sections, as the case may be) of other Czech ministries to determine to what extent its needs for materials can be fulfilled. It attempts to balance the estimated needs of the Ministry of Chemical Industry for materials with the amount of materials available to it. This estimate is then passed on to the Planning Division of the Ministry to be taken into consideration in drawing up the plan for the Ministry.

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[redacted] the number of sub-divisions in the Supply Department, [redacted] roughly speaking [redacted] correspond to the various ministries, inasmuch as there must be a group to coordinate supply planning with each ministry.

- (3) Internal Administration Division. There are about 10 people in this department. It handles the procurement and distribution of office supplies and furniture, the operation of canteens, and other such general housekeeping matters.
- (4) Legal Affairs Division. Comprised of five people, this division serves as an advisory group on legal affairs to the minister and the various offices in the Ministry.
- (5) Transportation Division. This division of approximately 10 people handles the transportation needs of the Ministry.

Enclosure (A): Organizational Chart of the Ministry of Chemical Industry

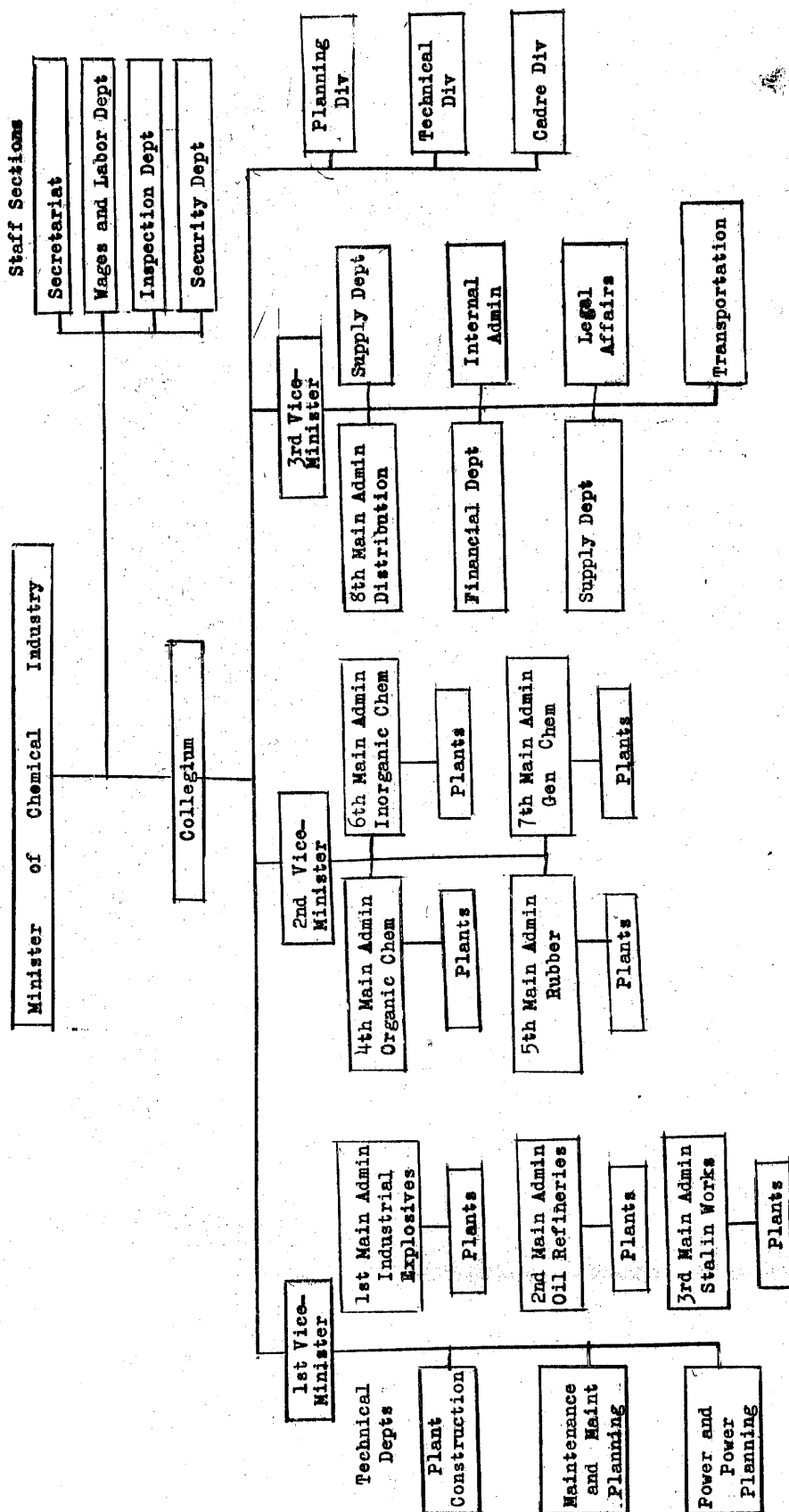
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ENCLOSURE (A)

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Organizational Chart of the
Ministry of Chemical Industry

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